

CHAPTER 27
MILITARY SERVICE MEMBER HOME OWNERSHIP ASSISTANCE PROGRAM

265—27.1(16) Purpose. The purpose of the military service member home ownership assistance program is to help eligible members of the armed forces of the United States to purchase qualified homes in Iowa through matching grants.

265—27.2(16) Definitions. As used in this chapter, unless the context otherwise requires:

“Eligible service member” means a resident of this state who, at the time of applying for a grant under the program, has served on active duty in a Title 10, United States Code, active federal military service status for at least 90 days cumulative, other than training, during the period beginning September 11, 2001, and ending June 30, 2008, as a member of the national guard, reserve, or regular component of the armed forces of the United States.

“Eligible service member’s contribution” means cash applied toward the purchase of a qualified home by an eligible service member. Gifts of cash from a parent or grandparent or from a legal guardian and cash grants to the eligible service member may be counted as all or part of the eligible service member’s contribution; however, gifts from other sources, contingent grants, proceeds of loans, and in-kind gifts may not be counted.

“Participating lender” means a lender approved for participation in the authority’s first home loan program. The authority maintains a list of participating lenders on its Web site: www.ifahome.com.

“Program” means the military service member home ownership assistance program authorized by 2005 Iowa Acts, chapter 161.

“Qualified home” means a home that is located in the state of Iowa, that is purchased by an eligible service member as the service member’s primary residence on or after March 10, 2005, and that falls into one of the following categories:

1. Single-family residence, including “stick-built” homes, modular homes, or manufactured homes, provided the home is attached to a permanent foundation and is taxed as real estate;
2. Condominium;
3. Townhome;
4. Duplex, if one of the units will be the primary residence of the service member.

The following categories of property shall not constitute a qualified home:

- Multifamily properties;
- Commercial or nonresidential property;
- Farmland or other investment property;
- Recreational vehicles, mobile homes, or trailers not attached to a permanent foundation.

“Status documentation” means written documentation of the applicant’s status with the armed forces of the United States, typically a copy of a valid DD Form 214, four months of leave and earnings statements, a statement of wartime service, or other documentation satisfactory to the Iowa National Guard.

265—27.3(16) Application procedure and determination of eligibility.

27.3(1) Financed home purchases. In the case of the purchase of a qualified home that is to be financed, the eligible service member must apply for a grant under the program through a participating lender. To apply, the eligible service member shall provide a participating lender with status documentation, complete a loan application as required by the participating lender, and assist the participating lender in completing a grant application on a form approved by the authority stating the amount of the grant being requested. The participating lender shall then transmit copies of the loan application, the status documentation, and the grant application to the authority.

27.3(2) Cash home purchases. In the case of a cash purchase of a qualified home, the eligible service member shall provide status documentation, a completed grant application form, a copy of the real estate sales contract, and a settlement statement for the purchase directly to the authority stating the amount of the grant being requested. The grant application form may be obtained from the authority upon request.

27.3(3) Referral of status documentation to Iowa National Guard. Upon receipt of the completed grant application, the authority shall promptly submit the status documentation to headquarters, Iowa National Guard, for verification that the applicant's duty status is consistent with the definition of "eligible service member." The Iowa National Guard shall be the final authority as to whether an applicant's duty status is consistent with the definition of "eligible service member."

265—27.4(16) Grant award. Grants awarded hereunder shall be a dollar-for-dollar match of the eligible service member's contribution toward the purchase price of a qualified home, up to a maximum of \$5,000. All proceeds of such grants must be applied to the purchase of a qualified home. Any grant proceeds which are not so used must be returned to the authority.

27.4(1) Financed home purchases. In the case of a financed purchase of a qualified home, upon confirmation of the applicant's duty status by the Iowa National Guard, provided that the information submitted on the grant application form complies with the requirements of this chapter, and upon submission to the authority of evidence that a title guaranty certificate has been or will be issued for the purchase, the authority shall notify the participating lender that the grant application has been approved.

a. Preclosing grants. In cases where the grant is approved prior to the closing of the purchase of the qualified home, the participating lender shall advance funds at closing in an amount equal to the amount of the grant on behalf of the eligible service member to be applied toward closing costs or the down payment. The participating lender shall then submit to the authority a copy of the HUD-1 Settlement Statement and a copy of the deed conveying title to the qualified home for reimbursement for the amount of the grant.

b. Postclosing grants. In cases where the grant is approved subsequent to closing of the purchase of the qualified home, the proceeds of the grant shall be paid directly to the participating lender to be applied toward the balance due on the loan.

27.4(2) Cash home purchases. In the case of a cash purchase of a qualified home, upon confirmation of the applicant's duty status by the Iowa National Guard and provided that the information submitted on the grant application form complies with the requirements of this chapter, the authority shall remit the grant proceeds directly to the eligible service member upon proof that the purchase of the qualified home has closed.

265—27.5(16) Income and purchase price. There are no income or purchase price limits, and grants awarded under the program may be used in conjunction with other assistance available through FHA, VA, USDA or IFA if the eligible service member qualifies for those programs.

265—27.6(16) Grant restrictions and limitations. All grants under the program are subject to funding availability. Grants will be awarded in the order in which completed grant applications are received. Grants awarded pursuant to the program are personal to their recipients and may not be assigned. Only one grant shall be awarded per home purchase. An eligible service member shall receive only one grant award under the program.

265—27.7(16) Surviving spouses of deceased eligible service members. In the event an eligible service member is deceased, the surviving spouse of the eligible service member shall be treated as an eligible service member and shall be eligible for a grant under the program, subject to the program's other eligibility requirements.

These rules are intended to implement Iowa Code section 16.5(17); 2005 Iowa Acts, chapter 161; 2005 Iowa Acts, chapter 115, section 37; and 2006 Iowa Acts, House File 2080.

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